

**Public Employees' Retirement Board
EMPLOYEE INVESTMENT ADVISORY COUNCIL**

100 North Park Avenue, Room 201
Helena MT 59601

Thursday, April 28, 2016
1:00 pm

ATTENDANCE

Council Members

Patricia Davis, Chair
Tom Schneider, Member
Paul Spengler, Member
Tim House, Member
Amy Berry, Member
Barb Wagner, Member, Absent
Steve Hagen, Member
Jim Penner, Member
Diane Fladmo, Member
Jeff Bollman, Member, Excused
James Helgeson, Member

MPERA Staff

Jared Smith, Assistant
Melanie Symons, Legal Counsel
Kate Talley, Legal Counsel
Jenny Weigand, Education & Training
Ali Rice, Accountant

Public Attendees

Anne Cappel, Empower

Presenters

Jon Slinger, Buck Consultants

ACTIONS

III. Approval of EIAC/Board meeting minutes – February 10, 2016 (0:43-1:09)

- Tom Schneider moved to approve the meeting minutes for February 10, 2016. Diane Fladmo seconded the motion, which passed unanimously.

IV. Approval of EIAC meeting minutes – February 18, 2016 (1:10-1:51)

- Diane Fladmo moved to approve the change. Paul Spengler seconded the motion, which passed unanimously.

V. Fund Performance Review (1:52-26:12)

Market Review: (1:52-6:50)

- Jon Slinger reviewed the current standing and highlights of the Market for members of the plan. No Action Taken.

457(b): (6:51-21:28)

- Mr. Slinger discussed the performance of funds available in the 457(b). No Action Taken.

401(a): (21:29-26:12)

- Mr. Slinger discussed the performance of funds available in the 401(a). No Action Taken.

VI. Fund Replacement Review – Victory Munder Mid-Cap Core (26:13-1:13:15)

- Mr. Slinger discussed the other options that Buck Consultants would recommend to replace Victory Munder. Janus Enterprise and Buffalo Discovery were the main two options discussed. Paul Spengler motioned to invite Victory Munder, Janus, and Buffalo to speak to the committee about their programs. Tim House seconded the motion. The motion passed 6-2 with Steve Hagen and Jim Penner voting in opposition.
- The committee discussed the need to add a mid-cap blend fund to both the 457 and 401(a) plans. Tim House moved to add Vanguard Admiral to both the 457(b) and 401(a). Paul Spengler seconded the motion, which passed unanimously.

VII. Review Board Admin Policy 13 & 14 (1:14:54-1:16:41)

- Chair Patricia Davis reviewed Board Admin Policy 13 & 14. Ms. Davis suggested that no changes were required. No Action Taken.

VIII. Annual 457(b) and 401(a) participant charged fee review (1:16:43-2:17:54)

401(a) (1:16:43-1:43:40)

- Chair Patricia Davis and Ali Rice discussed the current fees charged to members for covering costs of MPERA and Empower. Ms. Davis recommended to the committee that there is no need to increase fees to members. No Action Taken.

457(b) (1:43:41-2:17:54)

- Ms. Davis and Ms. Rice discussed the current fees charged to members covering the costs of MPERA and Empower. It was determined that the current fees were not adequate to cover costs by the end of 2017. Ms. Davis suggested two options to cover those costs; Option 1- Stop Revenue-Sharing for 457(b) members or Option 2-Increase Basis Point Fee and cap number. Jim Penner moved to increase the Basis Point Fee to 40 points and set the cap at 300 dollars. Tom Schneider seconded the motion, which passed unanimously.

DISCUSSIONS (2:17:55-2:33:24)

IX. Black Rock Equity Index – Collective Trust (2:17:55-2:28:13)

- Mr. Slinger discussed Black Rock and the difficulty of tracking or seeing how the account is doing from the member's perspective. EIAC recommends that no change be made to this fund. Additional education can be provided to members on how to track Black Rocks traded fund.

X. Joint EIAC – Retirement Board Meeting (2:28:14-2:33:24)

- Ms. Davis discussed the need to start reviewing action items from the joint meeting and proceed with the necessary steps. Would like to start with the July meeting to begin the review and the committee agreed. No Action Taken.

The next meeting is scheduled for July 28, 2016.